

Electronic Commerce/Electronic Data Interchange (EC/EDI)

Electronic data interchange (EDI) emerged in the late 1960's as a tool that enables companies to exchange business information electronically, including purchase orders, invoices, shipping orders and confirmations. The development of transmission standards furthered EDI growth, which has enabled the number of companies using EDI to grow significantly. By 1993, the Department of Defense (DOD) had implemented pilot EDI systems.

In 1993, President Clinton signed an Executive Order on streamlining federal government procurement through Electronic Commerce (EC) and to require civilian and non-civilian agencies conversion to EC by January 1997, moving the federal government from a paper-based to an electronically-based procurement system.

The Federal Acquisition Streamlining Act (FASA) of 1994, further provides for federal agencies to have functional EC capabilities in order to conduct small purchases up to \$100,000. It also required that a government-wide computer system, the Federal Acquisition Computer Network (FACNET), be implemented no later than January 1, 2000. Once FACNET is in place, the entire procurement process, from solicitation through award and payment, will be conducted electronically. To access the FACNET System, businesses must use a Government certified Value-Added Network/Service (VAN/VAS) provider or become a certified VAN/VAS, which requires a substantial investment. As a result of their initial involvement, the DOD spearheads the EDI conversion at the federal level by developing the infrastructure for the process. For more information, contact the DOD EC Information Center at (800) 334-3414 or visit this web site <http://http://www.acq.osd.mil/ec/interimfacnet.htm>

Since EDI is directed initially towards small purchases, the U.S. Small Business Administration (SBA) has been tasked with the responsibility of coordinating the education and training effort to the small business community using its resource partners and field personnel, as well as other federal agencies. In addition, SBA will, through its Electronic Bulletin Board, provide periodic updates of information, and a calendar of training events involving EDI for both the federal and private sectors. You can reach the SBA Online at: <http://www.sba.gov/>.

Inquiries may also be addressed to the Small Business Administration, 409 Third Street S.W., Washington, D.C. 20416. You may contact the SBA at (202)205-6622 or by fax at (202) 205-6622. Businesses can also contact the nearest field office of the SBA by referring to the blue pages of local phone books.

As the conversion process will take some time, initially EDI will affect most directly current government vendors and those business owners actively seeking to do business with the federal government by bidding on contracts. If you are a current government vendor, you should begin your familiarization with EDI initiatives by contacting the federal agency to whom you are conducting business with.

Department of Transportation's Office of Small and Disadvantaged Business Utilization (OSDBU) trains small, women-owned and disadvantaged businesses on using the Internet and EC for transportation-related contract opportunities. This education is one of the activities conducted by the fifteen Minority Educational Institutions (MEIs) partnered under the Entrepreneurial Training and Technical Assistance Program (ETTAP). To obtain more information on the program and the participating MEIs, visit the OSDBU website at <http://osdbuweb.dot.gov/programs/ETTAP.html> or reference the ETTAP section in this publication.

